

Workforce Partnership of Greater Rhode Island

Finance Committee

August 25, 2010

Present: Joseph DiPina, Pat Talin, Paul Harden, Steve Kitchin, Vanessa Cooley

Staff and guest present: Chris Grieco, Shirley Winslow, Erin Snell, Diane Vendetti, Jen Buck and Renee St. John

With a quorum present Chair Joseph DiPina called the meeting to order at 9:15 am and asked everyone to review the minutes from the previous meeting of June 4, 2010.

VOTE: Ms. Cooley made a motion to accept the minutes of June 4, 2010. Mr. Kitchin seconded the motion. The motion carried unanimously.

Audit and Status Report: Ms. Grieco reported the 2009 audit report was done today and 2010 audit report will be done in October, 2010.

Ms. St. John from KLR discusses the 2008 audit draft. She notes on page 1 it is a clean opinion.

In our opinion, the financial statements referred to above present

fairly, in all material respects, the financial position of Workforce Partnership of Greater Rhode Island as of June 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Page 3 - Ms. St. John refers to current assets – grants receivable \$240,484.00 H-1B is in full force with WIA billings. There was \$20,000.00 in 2008 that was never billed to DLT. That has been corrected.

Page 4 – Expenses: Training and employment services \$814,216.00 vs. Management and general \$136,610.00 = \$950,826.00 this was for the Finance Director, Executive Director and Administration fees. There was a note of prior period adjustment of \$74,569.00. Ms. Snell noted there were 3 things, (1) \$21,000.00 AP incorrect (2) \$16,000.00 refundable advances in 2007 (3) \$36,000.00 unexplained. This was caused by loosing track of the in's and out's. Ms. Snell reconciled every account, assets had a difference. The accounts had to be proved out net assets 2007 and net assets 2008 to find out it was something in refundable advancements.

Page 8 - The Organization received 81% of its unrestricted support and revenue from the U.S. Department of Labor (DOL) during the year ended June 30, 2008. Grants receivable from State of Rhode Island Department of Labor and Training and DOL represented 47% and

53%, respectively of receivables at year-end.

Page 18 - Condition: Workforce Partnership of Greater Rhode Island does not have procedures to ensure oversight to properly maintain internal control over transactions and accounting records. In addition, bank reconciliations and reconciliation of billings to accounting records had not been prepared timely.

Current Status: The auditor continues to make this recommendation for the period under audit but as of the date of this report a new Finance Director was in place and is in the process of implementing the proper controls.

Page 19 - Condition: Workforce Partnership of Greater Rhode Island did not file required reports for the U.S. Department Labor Employment and Training, H-1B Technical Skills Training Grant in a timely manner for the fiscal year ended June 30, 2007. The reports were filed between two and eleven days late each quarter and subsequently accepted by the funding source.

Management's Response: Management is aware of its responsibilities and notes that, due to limited staffing, the organization has been unable to provide the appropriate level of review to ensure timely filings. As funding and staff becomes available, management will review staff responsibilities to bring the organization into compliance with the reporting responsibilities.

Page 20 – Current Status: The auditor continues to make it his recommendation for the period under this audit. As of this date this report this contract had ended and all reporting requirements had been submitted.

Single Audit Act: Program - U.S. Department Labor Employment and Training, WIA Pilots, Demonstration and Research Projects (H-1B Technical skills Training Grant)

Criteria: The Single Audit Act requires all non-federal entities that expend federal funds in amounts equal to or greater than \$500,000.00 during a single fiscal year to have either a single audit or a program specific audit for the fiscal year which the expenditures have occurred. The U.S. Department of Labor, Employment and Training, H-1B Technical Skills Training Grant also requires an annual audit to be preformed in accordance with Governmental Auditing Standards.

Recommendation: We recommend that Workforce Partnership of Greater Rhode Island develop internal control procedures relating to federal reporting requirements when federal expenditures are equal to or greater than \$500,000.00 in a single year.

Page 21 – Current Status: The auditor continues to make this recommendation for the period under audit but as of the date of this report a new Finance Director is in place and is in the process of

implementing the proper controls to ensure timely filings in accordance with Single Audit Act beginning with fiscal year 2010.

The question was brought up will the 2009 audit be clean. Ms. St. John and Ms. Snell both said it will be clean. Ms. Snell did a reconstruction due to the fact May and June funds had not been billed (WIA, ISDI, and JDF). All the notes for the 2009 audit are the same as 2008.

Ms. Cooley suggests approving the 2008 and 2009 draft audits should be done in separate motions.

VOTE: Ms. Cooley made a motion to approve the 2008 draft audit. Ms. Talin seconded the motion. The motion passed unanimously.

VOTE: Ms. Talin made a motion to approve the 2009 draft audit. Mr. Harden seconded the motion. The motion passed unanimously.

Discussion: Ms. Grieco inquired when the final audits come in does the Board have to accept them? Mr. Kitchen states standing practice is the Board announces they have received the final audit statements for 2008 and 2009 at their September meeting. If the Board would like to have the opportunity to review the audits more closely they can attend the September Finance Committee meeting. The Board will vote to accept the 2008 and 2009 final audits at the October meeting.

Mr. Kitchin noted that for the 2010 audit the Director's time should be noted as in-kind for the purposes of WIA and needs to show on the corporate side. This should be noted as in-kind allocations.

Budget and Service Levels:

Ms. Vendetti discusses the PY2009 budget chart; internal funds available (staffing, overhead and expenders), external funds available (money on the street, ITA, Youth activities and OJT) external obligations (accruals as of June 30) and external unobligated. We have recovery money until June 30, 2011. We have notified the One-Stops to spend the ARRA funds first for the dislocated workers. We don't want to give the money back we want to use the funds to educate the workers, so when the jobs do come back they are ready.

WPGRI PY10 Formula Adult and DW Budgets: Projected Budget as of July 2010: The original total allocations, PY10 are Adult \$2,105,242.00, Dislocated Worker \$2,756,834.00 = \$4,862,076.00. Last year there 90% in programs and 10% in administrative fee Ms. Vendetti is recommending 95% in programs and 5% in administrative fees.

WPGRI PY10 Youth Budget: Projected Budget as of July 1, 2010: Original WIA allocation PY10, \$2,303,077.00 (includes 10% administration and 90% program dollars). Original JDF allocations, PY10, \$296,350.00 (program dollars, no administrative dollars).

Mr. DiPina is asking for a vote to approve the budget and service levels.

VOTE: Mr. Harden made a motion to the Finance Committee to approve to recommend the budget as submitted with contingency the Finance Committee be kept apprised of the youth obligations and expenditures on a quarterly bases to insure the Board does not over extent it's efforts in that regard. Mr. Kitchin seconded the motion. The motion passed unanimously.

Re-allocation of funds: Ms. Grieco noted on the \$50,000.00 re-allocation was located in the Policy and Procedures manual under 14.21. The Finance Committee suggests the 14.21 procedure needs new language for a better understanding. Ms. Grieco suggested Ms. Vendetti and Ms. Snell go through the Policy and Procedures manual and update the Finance Committee at the next meeting.

Updates: Ms. Buck reports on Skills Tutor. The licensing will be expiring; there is a need for WIA PY10 funding. We have been informed we were getting \$116,000.00 -\$120,000.00 (ARRA) WIA funds. Skills Tutor is a tutoring on line software program for individual who need skills to get in to a training program. There have been 1,000 licenses purchased for 3 years. There is a contract with RIRAL to provide instruction and services. If the license is not utilized it can be reassigned to another individual.

Old Business: Ms. Grieco noted this was information update only. Instructions by John O'Hare were to de-obligate all the old development funds which we did. All the job development funds were to be de-obligated by such and such a date due to the fact that JDF is in place until June 2011. The funds to pay Adrianna salary's are in place

New Business: There was no new business to come before the Finance Committee.

VOTE: Mr. Kitchen motioned to adjourn the meeting. Mr. Harden seconded the motion. The meeting was adjourned at 10:45 am.

Respectfully submitted

Shirley Winslow